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**USSR: Revised INF Proposal**

*General Secretary Andropov's latest proposal on INF is intended to demonstrate negotiating flexibility in hopes of encouraging West European support for a delay in NATO INF deployments.* [ ]

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Andropov announced yesterday that the USSR is willing to negotiate an INF accord based on equality of warheads rather than just delivery vehicles. He did not address specific numbers. [ ]

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The General Secretary limited the offer to weapons in Europe—including the UK and France—and stressed it would result in fewer Soviet missiles and warheads opposite Europe than before SS-20 deployments began in 1976. He warned, however, that the USSR, East Germany, and other Warsaw Pact nations will be forced to take countermeasures if NATO proceeds with INF basing. [ ]

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**Comment:** The proposal appears designed to regain the propaganda advantage. By making an offer that is superficially similar to President Reagan's call to negotiate on the basis of warheads, Moscow could be trying to get the West Europeans to press for a delay in NATO INF deployment to give talks time to succeed. The Soviets may hope that such a delay would cause NATO's consensus in favor of deployment to unravel. [ ]

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Although the offer avoided mentioning numbers, recent Soviet statements on NATO warhead levels appear to be deliberately exaggerated. In an interview late last month in a West German magazine, Andropov claimed that British and French missile forces have more than 400 warheads—twice the number estimated by the US. His warning that the Warsaw Pact will respond firmly if NATO INF deployment proceeds suggests Moscow is prepared to field comparable weapons in Eastern Europe. [ ]

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The UK has called the proposal "a small step forward," and the other basing countries will welcome it as a sign that Moscow eventually will agree to a compromise. The Allies, however, will publicly reaffirm the exclusion of British and French nuclear systems from consideration. The UK and France remain firm on this point, and thus far other basing countries have not pressed them to reconsider. [ ]

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Nonetheless, West European leaders worry that they have yet to develop a persuasive argument on these systems. They may try to strengthen their position when the Special Consultative Group meets shortly before INF talks resume in Geneva on 17 May. [ ]

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**EL SALVADOR-US: Legal Defeat in Murder Case**

*President Magana claims he will pursue other means of prosecution following recent judicial setbacks in the cases of those accused in the murders of two US labor officials in 1981.* [redacted]

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An appellate court has ruled that it does not have sufficient evidence to continue prosecution of Lt. Lopez Sibrian, who allegedly gave the order and provided the weapons for the killings. The decision affirms a lower court finding of last year that enabled Lopez Sibrian to return to active duty. [redacted]

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The Attorney General says the state has one year to introduce new evidence or the case will be closed, although it can then be appealed to the Supreme Court. Meanwhile, he is preparing an appeal to the Supreme Court to overturn lower court rulings in favor of others involved in the murders, one of whom is living in Miami. [redacted]

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Magana says he will push for additional appeals regarding Lopez Sibrian. He also is considering invoking an emergency decree that empowers the government to make arrests on suspicion of terrorism or subversion. He notes that he would have to discuss such a move with Defense Minister Vides. [redacted]

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**Comment:** The court's refusal to rule in favor of the state suggests it again has been intimidated by extreme rightists. The evidence against Lopez Sibrian is formidable and includes confessions by the two who did the killing. The chances of successful prosecution are likely to diminish the longer the case drags on in the courts. [redacted]

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Magana, who previously has resisted suggestions that he invoke the emergency decree, is concerned that the judicial setback will jeopardize US assistance. Nevertheless, the decree previously has been applied exclusively to suspected insurgents or their sympathizers, and its application in this case would encounter opposition from extreme rightists and some elements in the military. The strongest objection could come from Vides, who might argue that invoking the decree would threaten military unity and the prosecution of the war. [redacted]

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**IRAQ-IRAN: Attacks on Offshore Oil Facilities**

*Iraq has expanded its attacks on offshore Iranian oil platforms to include the Ardeshir field, apparently as part of a strategy aimed at forcing Iran to negotiate at least a limited cease-fire.*

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Iraqi attacks damaged three oil production facilities in Iran's Ardeshir offshore oilfield. Damage was largely confined to the production platforms and helicopter pads.

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**Comment:** Previous attacks on the Nowruz offshore facilities have resulted in the constantly expanding oil spill in the Persian Gulf. Loss of all offshore production, including that from Ardeshir, would not adversely affect Iran militarily or economically. Output from offshore facilities plays a limited role in Iran's overall production and is being reduced to help meet OPEC export limits.

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The attacks appear aimed at bringing international pressure on Iran for cease-fire negotiations. Tehran is unlikely to accept a cease-fire, however, whether or not the attacks continue.

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**UK: Local Elections**

*The results of the municipal elections in England and Wales tomorrow will help Prime Minister Thatcher decide whether to hold a general election in June.* [ ]

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More than 12,000 local government offices are at stake. Thatcher plans to meet with advisers this weekend to evaluate the results and gauge Tory election prospects. With inflation falling toward 4 percent and the Conservatives ahead by 15 points in a poll published on Sunday, Thatcher is under strong pressure from most government ministers and backbenchers to call the election now. [ ]

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The British press is reporting, however, that Foreign Secretary Pym, Deputy Prime Minister and Home Secretary Whitelaw, and the party leaders of the House of Commons and the House of Lords have urged Thatcher to wait. They cite the need to finish the legislative program and—most importantly—argue that an early election would imperil the Prime Minister's reputation for firmness of purpose and disdain for opportunism. [ ]

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**Comment:** Most of these contests are likely to be decided on the strength of local issues or candidates. The results will not necessarily indicate how the public would vote in a national election. [ ]

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Nevertheless, election fever is rising in the UK. No matter who wins, the Prime Minister needs to act soon or risk helping the prospects of the Labor Party by seeming to fear an election or by appearing indecisive. [ ]

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**WARSAW PACT: Pressure From Moscow**

*Warsaw Pact Commander Kulikov is urging members of the Pact to strengthen their defense establishments to deal with increased Western subversion.* [redacted]

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Kulikov, in an article in *Pravda* published just before May Day, cites Polish Premier Jaruzelski's claim that Poland's sovereignty is guaranteed by its alliance with the USSR and by its participation in the Warsaw Pact and CEMA. He warns that attempts to disrupt the Pact are unacceptable and asks the Pact's "frontline states" to strengthen their armies, to improve their advanced equipment inventories and military unit organization, and to resolve training problems. [redacted]

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**Comment:** The timing of the article and the reference to Western subversion suggest some concern about Solidarity's call for May Day demonstrations. Romania probably also is being criticized. In recent years Bucharest has opposed increased military spending and any intensification of the East-West ideological conflict. [redacted]

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The recent meeting of the Warsaw Pact Military Council chaired by Kulikov in Bucharest was characterized as "businesslike." This suggests the meeting failed to resolve outstanding problems, especially those relating to defense budgets. [redacted]

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The USSR has had little success during the past three years in persuading East European countries to make costly purchases of large amounts of modern Soviet equipment, including T-72 tanks and self-propelled artillery. The East Europeans also have fallen behind their own deadlines for production of modern military equipment, largely because of high tooling and plant costs. Some members have resisted adopting the latest Soviet organizational changes which would require expanded peacetime manning at a time of impending manpower shortages. [redacted]

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Kulikov's admonition that training problems in the alliance have to be resolved may be in response to East European complaints during the past several years that Shield-82 and other large-scale exercises are too expensive. Moscow's allies reportedly would prefer fewer such multinational maneuvers and more frequent and smaller national or bilateral exercises. [redacted]

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**BRAZIL-LIBYA: Delay in Return of Arms**

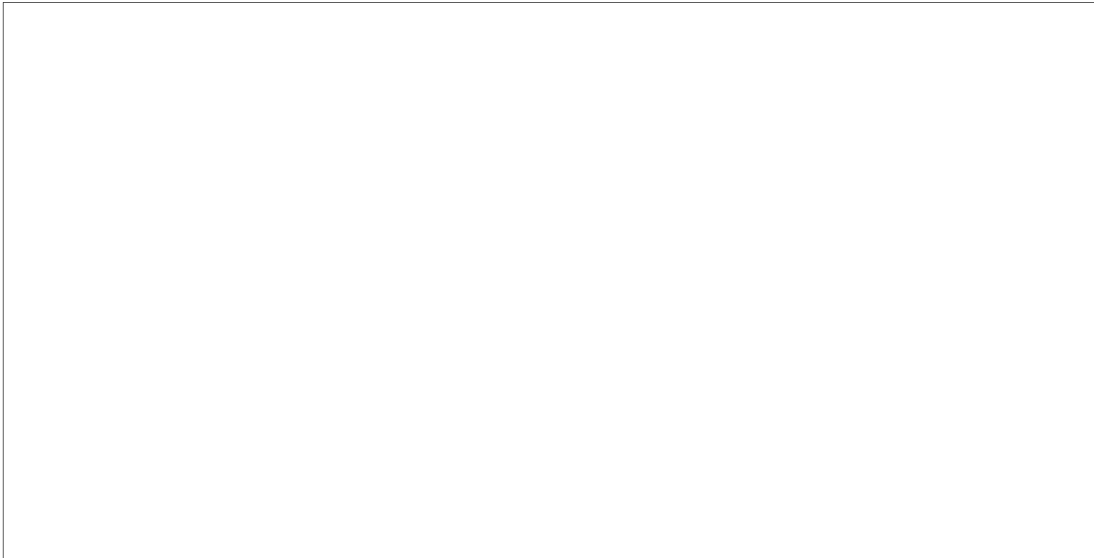
The Brazilian Government continues to negotiate with Alitalia officials concerning removal of Libyan arms seized two weeks ago. The Minister of the Air Force says he expects an Alitalia Boeing 747 to arrive in Brazil today or tomorrow to retrieve cargo impounded at Manaus and Recife. The Italians have told Brasilia that they do not know if the plane is to fly directly to Tripoli or to Mauritania, where the cargo could be transferred to Libyan aircraft.

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**Comment:** The Libyan military transports and aircrews still in Brazil are likely to leave as soon as Tripoli confirms it has received the cargo.

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**WEST GERMANY-NICARAGUA: Embassy Incident**

The temporary seizure of the West German Embassy in Managua this week by West German AID employees will delay any shift in Bonn's policies toward Central America. The AID employees were protesting the murder of a colleague last weekend by anti-Sandinista guerrillas. They claim that the ultimate blame for the killing rests with the US and Honduras for supplying arms to the rebels. They also insist that Bonn's failure to take any action in the matter makes it an accomplice. [ ]

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**Comment:** Some Christian Democrats had hinted that the government might eventually appoint an ambassador to El Salvador, release some \$11 million in aid earmarked for El Salvador, and block funds slated for Nicaragua to put pressure on the Sandinistas to hold free elections. Bonn now will hesitate to take such steps soon because public attention is focused on the area. The West Germans probably want to avoid new controversies that also would complicate their ability to deal with INF and intra-German relations. [ ]

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**ANGOLA-USSR: Dos Santos To Visit Moscow**

TASS reported yesterday that Angolan President dos Santos will visit the USSR this month. This will be his first working visit since December 1979. Although dos Santos attended Brezhnev's funeral, no top Soviet leader met with him at that time. [ ]

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**Comment:** The Soviet invitation almost certainly reflects concern about Angola's discussions with the US and South Africa on a settlement on Namibia and the withdrawal of Cuban troops from Angola. Moscow probably also is concerned about efforts by dos Santos to strengthen his position at the expense of pro-Soviet members of the Angolan leadership. In addition, the Soviets may express their unhappiness with Luanda's declining oil earnings and consequent delays in paying for Communist aid. The visit to Moscow in March by Mozambican President Machel and the visits this month by dos Santos and Zimbabwean Prime Minister Mugabe indicate that the Soviet leadership is paying more attention to southern Africa. [ ]

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**LIBYA-WEST AFRICA: Qadhafi's Visits**

Libyan leader Qadhafi's visits last week to Nigeria, Benin, and Upper Volta apparently produced few substantial results. According to US Embassy reports, Qadhafi emphasized his standard themes of anti-imperialism and African unity, told his hosts they should imitate Libyan governmental organization, and denounced Chadian President Habre's regime. Qadhafi's hosts were annoyed by his calls for revolution and by his arrogant manner. Nigerian officials, in particular, were insulted by an anti-US diatribe that Qadhafi delivered at a state dinner.

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**Comment:** Qadhafi apparently offered little tangible aid. His comments in Nigeria and Benin indicate that he has not abandoned hopes of attaining the chairmanship of the OAU during its summit meeting scheduled for June in Addis Ababa.

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**MEXICO: Holding the Line on Wages**

President de la Madrid this week refused to grant an early increase in the minimum wage despite intensive lobbying by key labor leaders. Even in the face of widespread distress among the rank and file over falling real wages, 1.5 million workers demonstrated support for the government during the traditional May Day parade.

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**Comment:** The workers' show of support represents a small but important victory for de la Madrid, who thus far has displayed considerable political skill in managing the crucial labor sector. He will face another difficult test when he decides on the wage increase scheduled for July.

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